## REMARKS

## Rejection under 35 USC §101 and §112, 1st paragraph:

At page 3 of the Office Action, the Examiner has rejected claims 4, 8, 9, and 24-29 under 35 U.S.C.§101 and §112, 1<sup>st</sup> paragraph. In summary, the Examiner has stated that the claimed isolated nucleic acid molecules lack a specific and substantial utility or a well-established utility and, consequently, one skilled in the art would not know how to use the claimed invention.

The examiner stated that the sequence search does not reveal any significant homology between SEQ ID NO: 1 with any sequence encoding for any member of the mammalian MAP kinase phosphatase family (page 4). The examiner stated that nothing was known on the protein of the present invention's role or its relative contribution to the inactivation of MAP kinases.

Further, the examiner on page 5 of the Office Action stated that the utilities recited in the specification of the present invention are not specific and substantial, because the specification does not disclose any diseases or conditions. Moreover, the examiner asserts that any use for diagnosis, prevention and treatment of biological processes associated with abnormal or unwanted protein phosphorylation requires confirmation or evidence indicating that SEQ ID NO: 1 is indeed encoding for a protein existing in nature. Therefore, the examiner concluded that the use of the molecules as targets for identifying therapeutic agents or for drug screening or other biological assays does not identify or confirm a "real world" use.

Applicants respectfully traverse this rejection based on the following remarks.

In contrast to the Examiner's assertions, the claimed isolated nucleic acid molecules, such as SEQ ID NOS:1 and 3, that encode a specified amino acid sequence, SEQ ID NO:4, and methods of making and using such nucleic acid molecules have several uses that meet the requirements of 35 U.S.C.§101 and the first paragraph of 35 U.S.C.§112. These, as well as the accepted state of the art view that such molecules have uses within the commercial marketplace in the drug development cycle, since they encode previously unidentified members of important pharmaceutical targets, establishes the utility of the claimed invention.

The utility requirement of a claimed invention requires that an invention must have a specific, substantial and credible utility. These requirements are defined in broad terms in cases such as *Brenner v. Manson*, 148 USPQ 689 (S. Ct. 1966) and the recently adopted Utility Guidelines from the USPTO.

The Examiner stated that the present invention failed to disclose any properties of the present invention, SEQ ID NO:4 that associated with any disease state. However, such a requirement substantially conflicts with the decision made by the CCPA.

The CCPA in *Nelson v. Bowler*, 206 USPQ 881 (CCPA 1980), clearly accepted a showing of less than a specific therapeutic use of a claimed chemical compound as satisfying the utility requirement.

The CCPA held that where a claim does not provide evidence of pharmacological activity of a claimed compound, although it does not establish a specific therapeutic use, manifests a practical utility because knowledge of pharmacological activity is beneficial to the public in that it makes faster and easier for medical researchers to combat illnesses. Nelson v. Bowler, 206 USPQ 881 (CCPA 1980).

The notion that a recognized valuable addition to even entry points of the drug discovery cycle advances the art sufficient to establish a "usefulness" of a claimed invention should not be ignored. Similar to the *Nelson* case, the present invention, which is drawn to isolated nucleic acid molecules that encode a phosphatase protein (SEQ ID NO: 4), has useful value in the drug discovery process even though the molecule may not be associated with a specific treatment and/or diagnosis of a particular disease. According to *Nelson*, the present invention provides sufficient knowledge and information that is beneficial to the public, and provides sufficient guidance for researchers to use the claimed subject matter to develop disease treatments and/or diagnostics. It is well recognized that phosphatases are the most important targets for drug action (pages 1-5 of the specification). The public disclosure of a new member of this family through the patenting process clearly advances the art and augments the capabilities of biomedical researchers to combat illnesses.

The utility rejection raised by the Examiner also conflicts with the case *Juicy Whip v*. Orange Bang (Fed. Cir. 1999). Juicy Whip held that, in order to violate the utility requirement, an invention must be "totally incapable of achieving a useful result." The polypeptides and encoding nucleic acid molecules of the present invention are well known in the art to be valuable drug targets and therefore have readily apparent commercial utilities, such as for screening potential drug compounds, producing antibodies, developing hybridization probes and primers, etc. In addition to the uses disclosed in the specification and discussed herein for the

polynucleotides of the present invention, other utilities are readily apparent to one of ordinary skill in the art based on the observed tissue specific expression patterns. Specifically, the proteins/nucleic acid molecules of the present invention are expressed various tissues. Thus, for example, the proteins/nucleic acids of the present invention are commercially useful for developing therapeutic agents for treating diseases affecting these tissues. Therefore, the present invention is not "totally incapable of achieving a useful result." Instead, it is useful.

The specification shows that the protein such as MAP kinase phosphatase play a critical role in neuronal survival and neuronal cell death following injury and degenerative stimuli. MAP kinase phosphatase may also play a role in diabetes and other insulin-related conditions. Thus the protein plays an important function in the brain.

Novel phosphatase proteins/nucleic acids are commercially useful for developing therapeutics/diagnostics for these and other pathologies. Thus, there is overwhelming evidence in the art to support the utility of novel phosphatase proteins and encoding nucleic acid molecules, particularly those related to the MAP kinase phosphatase. Not all nucleic acid molecules, and actually a very limited number, of the 3 billion bases that make up the human genome will encode a protein for these and the other disclosed uses. These uses are quite specific for the phosphatase family of proteins, even though each member may play a somewhat different role in cellular responses and pathologies. Even though each member may have a somewhat different role in biology and disease, each is a specific composition of matter having substantial, specific and credible uses that the vast majority of other isolated nucleic acid molecules do not possess.

By placing a new member of the phosphatase protein family into the public domain through the patenting process, the present invention is not only a clear advancement over the prior art (a newly discovered protein/gene) but also enables significant advancement in medicine and further discovery. The Utility requirement cannot be used to contradict the reasons for the patent system, to encourage early disclosures of inventions so that others can benefit from, improve upon, and further develop such inventions. This is particularly important in medicine, wherein early disclosure of key inventions (such as new phosphatase proteins and encoding nucleic acid molecules) is needed to facilitate the early development of new therapies and diagnostics to treat illnesses.

The grant of a patent to the claimed isolated nucleic acid molecule and the resultant disclosure of the nucleic acid and protein sequences to the public will certainly shorten the

process for medical researchers to discover other novel uses for the present phosphatase-encoding nucleic acids. One example disclosed in the specification is that the present nucleic acid molecules can be used to produce protein targets for identifying agents that bind to the protein targets and modulate protein function. Such agents can be used to precisely determine which biological and pathological processes the protein is involved in. Furthermore, such agents that bind to a protein target and modulate cell signaling may subsequently be developed and refined for use in mammalian therapeutic applications. All of this later discovery and refinement will be done using the presently claimed material. These uses are clearly commercial and substantial uses that are specific for a very limited number of proteins/nucleic acid molecules.

In addition to serving as targets for developing molecular probes and therapeutic agents, the disclosed uses of the claimed nucleic acid molecules as probes, primers, and chemical intermediates, particularly in biological assays, is sufficient to satisfy the requirements of 35 USC §101 and §112. The claimed invention is directed to nucleic acid sequences that encode a phosphatase protein with a specified amino acid sequence (SEQ ID NO: 4), such as SEQ ID NOS:1 and 3. Exemplary uses of the nucleic acid sequences are clearly recited in the specification on, for example, pages 36-56. Among the examples, the nucleic acid molecules are useful as hybridization probes for messenger RNA molecules, transcript/cDNA molecules, genomic DNA, and variants thereof. An expression vector comprising the nucleic acid sequences can be made that expresses the phosphatase protein. Such uses are specific for the claimed nucleic acid molecules, and the products of such uses will be clearly different (and hence specific for the claimed molecules) than what would be produced using a different nucleic acid molecule for the same purpose.

In view of law and fact, the utility standard interpreted by the USPTO guidelines is too high. The disclosure of activity of the expressed polynucleotide is not required by any statute or case law interpreting the utility requirement of Section 101, and the enablement requirement of Section 112, first paragraph. The commercial value of a gene that encodes a previously unidentified member of the phosphatase protein family, members of which are well known in the art to be commercially valuable drug targets, should be sufficient to satisfy the utility requirement.

Amendment to rejection to claim 9 under 35 USC section 101 was made; thus the rejection is moot.

## **Conclusions**

Claims 4, 8-9, and 24-29 are currently pending.

In view of the above remarks and amendments, Applicants respectfully submit that the application and claims are in condition for allowance, and request that the Examiner reconsider and withdraw the objections and rejections. If for any reason the Examiner finds the application other than in condition for allowance, the Examiner is invited to call the undersigned agent should the Examiner believe a telephone interview would advance prosecution of the application.

Respectfully submitted,

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